



Planning Committee

Date: Tuesday, May 3, 2022

Place: Council Chambers
Richmond City Hall

Present: Councillor Bill McNulty, Chair
Councillor Alexa Loo (by teleconference)
Councillor Chak Au
Councillor Carol Day
Councillor Andy Hobbs
Councillor Harold Steves (by teleconference)

Also Present: Councillor Linda McPhail (by teleconference)
Councillor Michael Wolfe (by teleconference)

Call to Order: The Chair called the meeting to order at 4:00 p.m.

MINUTES

It was moved and seconded
That the minutes of the meeting of the Planning Committee held on April 20, 2022, be adopted as circulated.

CARRIED

PLANNING AND DEVELOPMENT DIVISION

Planning Committee

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1. **REQUEST TO REVISE REZONING CONSIDERATIONS FOR THE APPLICATION BY BENE (NO. 3) ROAD DEVELOPMENT LTD. FOR REZONING OF THE PROPERTY AT 4700 NO. 3 ROAD FROM THE “AUTO-ORIENTED COMMERCIAL (CA)” ZONE TO A NEW “HIGH RISE OFFICE COMMERCIAL (ZC44) – ABERDEEN VILLAGE” ZONE (ITEM DEFERRED FROM APRIL 20, 2022 PLANNING COMMITTEE)**

(File Ref. No. RZ 14-672055) (REDMS No. 6822556)

Staff advised that they will require more time to report back as a professional appraiser has been retained by the City to confirm the value of the additional density. As a result, the following motion was introduced:

It was moved and seconded

That the staff report titled “Request to Revise Rezoning Considerations for the Application by Bene (No. 3) Road Development Ltd. for Rezoning of the Property at 4700 No. 3 Road from the “Auto-Oriented Commercial (CA)” Zone to a New “High Rise Office Commercial (ZC44) – Aberdeen Village” Zone, dated March 16, 2022 be deferred until the next Planning Committee Meeting on May 17, 2022.

CARRIED

2. **SOCIAL DEVELOPMENT STRATEGY (2013–2022): PROGRESS REPORT FOR 2021**

(File Ref. No. 08-4055-01) (REDMS No. 6823194)

In response to queries from Committee, staff advised that they will report back with a memo with information on the correlation between programs and services provided for individuals experiencing homelessness at the shelters and drop-in centre and the potential impact on mental health. Staff also advised that programs and services provided by housing providers enable individuals experiencing homelessness to connect with services in the community that they may need.

It was moved and seconded

- (1) *That the Building our Social Future – Social Development Strategy (2013–2022): Progress Report for 2021, as outlined in the staff report titled “Social Development Strategy (2013–2022): Progress Report for 2021”, dated March 28, 2022, from the Director, Community Social Development, be received for information; and*
- (2) *That the Building our Social Future - Social Development Strategy (2013–2022): Progress Report for 2021, be distributed to key stakeholders, local Members of Parliament, local Members of the Legislative Assembly and posted on the City website.*

CARRIED

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In response to discussions regarding looking at housing for youth aging out of foster care, the following **referral motion** was introduced:

It was moved and seconded

That staff examine housing for youth aging out of foster care in Richmond.

- (i) This would include understanding their needs and what partnering opportunities are available; and*
- (ii) Information on how many foster care homes, and youth in care there are in Richmond.*

CARRIED

3. **HOMELESSNESS STRATEGY (2019–2029): 2021 UPDATE**

(File Ref. No. 08-4057-11) (REDMS No. 6823341)

It was moved and seconded

- (1) That the Homelessness Strategy 2019–2029: 2021 Update (Attachment 1), as outlined in the staff report titled “Homelessness Strategy 2019–2029: 2021 Update”, dated April 8, 2022, from the Director, Community Social Development, be received for information; and*
- (2) That the Homelessness Strategy 2019–2029: 2021 Update be distributed to key stakeholders, local Members of Parliament, local Members of the Legislative Assembly and posted on the City website.*

In response to queries from Committee, staff advised (i) that they continue to work with senior levels of government as well as local social service agencies to learn about what programs, provisions and grants may be available for rent subsidies for individuals experiencing homelessness, (ii) that staff will provide a memo to Council with information about individuals staying in shelters in Richmond and where and how they access housing, and (iii) that Council write a letter to senior levels of government to advocate for more programs and funding to support individuals experiencing homelessness or at risk of homelessness

The question on the motion was then called and **CARRIED**

In response to discussion the following **motion** was introduced:

It was moved and seconded

That Council write to the Provincial and Federal governments asking for more permanent subsidies for people at extreme risk of becoming homeless.

CARRIED

LAW AND LEGISLATIVE SERVICES DIVISION

4. HOUSEKEEPING REQUEST - ABANDONMENT OF UNADOPTED BYLAWS

(File Ref. No. 12-8060-01) (REDMS No. 6880422)

It was moved and seconded

That the unadopted Zoning and OCP Amendment Bylaws, as outlined in Attachment 1 of the staff report titled “Housekeeping Request – Abandonment of Unadopted Bylaws”, dated April 19, 2021, from the Director, City Clerk’s Office, be abandoned.

CARRIED

COUNCILLOR ANDY HOBBS

5. RENT-TO-OWN DEVELOPMENTS IN RICHMOND

(File Ref. No.)

John Roston, Richmond resident, referred to his submission (attached to and forming part of these minutes as Schedule 1) commented that rent-to-own agreements have been used for a long time and they are beneficial to a very small percentage of people.

Discussion ensued regarding (i) the use of rental tenure zoning to regulate rental zoning, (ii) rent-to-own agreements can work in some situations and will be examined through the Official Community Plan review process, and (iii) rent to own could be one option to alleviate the housing affordability crisis.

It was moved and seconded

That staff examine and provide analysis to the Planning Committee regarding the feasibility of rent-to-own developments in Richmond within the OCP review.

CARRIED

6. CITY OF RICHMOND’S APPLICATION PROCESS

(File Ref. No.)

It was moved and seconded

(1) That staff provide commentary regarding the number of residential Rezoning, Development Permit and Building Permits received each year since 2017;

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- (2) *That where possible, statistical data be provided to indicate the number of dwelling units involved each year broken down by Land Use (i.e. single-family, duplex/triplex, townhouse, and apartment);*
- (3) *That information and commentary be provided regarding the overall application review processes including an analysis of application review timelines, the identification of any items that impact the City's ability to advance applications in a timely manner and potential sources of Provincial and Federal funding to improve processes; and*
- (4) *That staff also identify any existing or proposed actions being undertaken to create efficiencies within the overall application review process.*

The question on the motion was not called as discussion ensued regarding review times, processing and the impacts that delays in the application process may have on housing affordability.

The question on the **referral** motion was then called and **CARRIED**.

COUNCILLOR BILL MCNULTY

7. **INCENTIVES FOR DEVELOPERS TO BUILD AFFORDABLE HOUSING AND OFFICIAL COMMUNITY PLAN REVIEW**

(File Ref. No.)

John Roston, Richmond resident, referred to his submission (attached to and forming part of these minutes as Schedule 2) commented about reviewing previous staff reports on this issue to ensure that incentives already discussed are included in the referral.

It was moved and seconded

- (1) *That staff identify what incentives and actions Council can consider in order to encourage developers to build more affordable rental housing of all forms;*
- (2) *That staff recirculate the terms of reference of the Official Community Plan; and*
- (3) *That staff provide advice to Council around the process and timing of the Official Community Plan.*
- (4) *That staff provide an updated chart of affordable housing that has already been approved.*

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The question on the motion was not called as discussion ensued regarding (i) encouraging development with incentives, (ii) looking at all viable incentive options to offer developers to increase affordable housing supply, (iii) project delays contribute to higher costs and lower affordability, and (v) actions and progressive ideas are needed that can make a fundamental difference to the housing affordability crisis.

The question on the **referral** motion was then called and **CARRIED**.

8. **MANAGER'S REPORT**

(i) City Snapshots

Staff updated Committee on the online information session that will be held in mid June on the City's Let's Talk Richmond forum. The session will be about sharing information and engaging the community by responding to questions and comments. Various departments will be involved, and a memo will be circulated shortly before the online engagement begins.

ADJOURNMENT

It was moved and seconded
That the meeting adjourn (4:51 p.m.).

CARRIED

Certified a true and correct copy of the Minutes of the meeting of the Planning Committee of the Council of the City of Richmond held on Monday, May 3, 2022.

Councillor Bill McNulty
Chair

Raman Grewal
Legislative Services Associate

From: John Roston, Mr <john.roston@mcgill.ca>
Sent: May 2, 2022 3:48 PM
To: McNulty,Bill; Steves,Harold; Day,Carol; Au,Chak; Loo,Alexa; Hobbs,Andy
Cc: Brodie, Malcolm; McPhail,Linda; Wolfe,Michael; CityClerk
Subject: Planning Committee Meeting on May 3

City of Richmond Security Warning: This email was sent from an external source outside the City. Please do not click or open attachments unless you recognize the source of this email and the content is safe.

Dear Councillor McNulty,

I am copying the City Clerk to indicate that I would like to delegate remotely on Agenda Item 5, at the Planning Committee meeting on May 3. I would also like the comments below on this item attached to the minutes.

I would also like to delegate remotely on Agenda Item 7 and will also be sending written comments on that item shortly.

Thanks for your continuing cooperation on housing issues.

John Roston

john.roston@mcgill.ca

12262 Ewen Avenue

Richmond, BC V7E 6S8

Phone: 604-274-2726

Submission by John Roston to the Planning Committee Meeting, May 3, 2022.

Agenda Item 5: RENT-TO-OWN DEVELOPMENTS IN RICHMOND

Why this referral motion should be defeated

This referral asks staff to provide information that is readily available by doing a simple Google search that will both explain how rent-to-own works (see below) and provide a long list of companies that provide rent-to-own agreements in the Lower Mainland.

Asking highly paid city staff to provide the secretarial function of a Google search is a waste of taxpayer funds. Since rent-to-own agreements are readily available and are a form of home purchase financing, there is no role for the City of Richmond to play any more than it does in the provision of home purchase mortgage financing. If these agreements were an answer to the current home affordability crisis, then they would already be in widespread use in Richmond.

Rent-to-Own Agreements

These agreements are similar in many ways to leasing a car with an option to purchase it at the end of the lease rather than paying the cash upfront to purchase the car. The leasing company is in business to make a profit on the transaction and so is the rent-to-own company.

The car is going to be worth less at the end of the lease, but the house is likely to be worth more. The rent-to-own agreement takes account of that by setting the option to purchase price higher than the current purchase price. On top of that, there is usually a non-refundable deposit toward the purchase which amounts to about 2-5% of the future purchase price.

The advantage of rent-to-own is that it locks in the price of the home that will be paid a few years down the road and does not require a down payment beyond the 2-5% deposit. The disadvantage is that it will cost the renter/buyer significantly more than a conventional purchase using a down payment and a mortgage. It is of interest to those who do not have a down payment and/or do not currently qualify for a mortgage due to a bad credit rating but know that their financial situation will be significantly better in a few years. If that significant financial improvement does not materialize on schedule, there will be a major financial loss on the rent-to-own agreement.

The renter/buyer needs a high income to qualify for rent-to-own since they will be paying a much higher rent than a tenant in purpose-built rental. The rent is generally high enough to allow 25% of it to be set aside toward purchase of the home.

Many rent-to-own agreements require the renter to pay the property taxes and all maintenance costs including major ones that would normally be paid by the landlord in purpose-built rental housing.

Some rent-to-own agreements require the renter to purchase the home at the end of the lease, but most agreements provide an option to purchase if your financial situation has improved and an option to leave at the end of the lease if you do not want to purchase. However, in the latter case, you will forfeit the deposit.

From: John Roston, Mr <john.roston@mcgill.ca>
Sent: May 2, 2022 4:37 PM
To: McNulty,Bill; Steves,Harold; Day,Carol; Au,Chak; Loo,Alexa; Hobbs,Andy
Cc: Brodie, Malcolm; McPhail,Linda; Wolfe,Michael; CityClerk
Subject: Planning Committee Meeting on May 3

City of Richmond Security Warning: This email was sent from an external source outside the City. Please do not click or open attachments unless you recognize the source of this email and the content is safe.

Dear Councillor McNulty,

Further to my previous email, I would like to delegate remotely on Agenda Item 7 at the May 3 meeting and would also like my written comments below to be attached to the minutes.

Thanks for your continuing cooperation on housing issues.

John Roston

john.roston@mcgill.ca

12262 Ewen Avenue
Richmond, BC V7E 6S8
Phone: 604-274-2726

**Submission by John Roston to the Planning Committee Meeting, May 3, 2022.
Agenda Item 7: INCENTIVES FOR DEVELOPERS TO BUILD AFFORDABLE HOUSING**

Previous referral motions

While I am in favour of this referral, it is important to review previous staff reports on this issue to ensure that incentives already discussed are included in the referral. In particular, the staff report of June 7, 2021 discusses incentives and the context for the report:

“Consideration of the staff reports on May 4, 2021, resulted in a number of questions from Planning Committee members and the staff reports were tabled to the June 23, 2021 Planning Committee meeting. The purpose of this report is to provide Planning Committee and City Council with responses to the questions from the May 4, 2021 Planning Committee meeting.”

Revitalization Tax Incentives

At that May 4, 2021 Planning Committee meeting, I delegated on Revitalization Tax Incentives as an incentive for the building of purpose-built rental housing. Part of the June 7, 2021 staff report is devoted to such incentives:

“Revitalization Tax Exemption for Affordable Housing

Section 226 of the *Community Charter* provides local governments with the authority to exempt eligible properties from the municipal portion of property taxes (land and/or improvements) to encourage various types of economic, social or environmental revitalization within a community for a maximum of 10 years. The exemption is a tool that a Council may use at its discretion to encourage the construction and/or preservation of affordable rental housing.”

The market rental housing owner continues to pay the current property tax, rather than the increased property tax on the new construction, for up to 10 years.

The staff report then raises several objections to the use of Revitalization Tax Incentives and I subsequently provided a rebuttal to those objections:

1. *Property tax exemptions provide minimal impact to developers as their property taxes during development are a negligible portion (less than 0.2%) of total project costs.*

Misleading. This is not about property tax paid during development. The objective of property tax exemptions for a maximum of 10 years is to increase the value of the market rental housing to the pension plan or other rental housing operator who will purchase the property from the developer. This is a huge incentive depending upon the size of the project and the length of the exemption. It has the direct effect of substantially increasing the sale price realized by the developer.

2. *The rental units secured through the LEMR program are eligible; however, market rental units are not eligible for the exemption.*

Incorrect. Market rental units are eligible. Kelowna provides a 10-year municipal tax exemption for new market rental units. Kelowna restricts it to the increase in value of the improvements built on the land. The city continues to collect the tax on the land at its increased valuation.

3. *A Council's decision to apply a revitalization tax exemption would result in a shortfall in the municipality's tax revenue.*

Misleading. The City will continue to collect the same amount of property tax that it currently collects as if the development has not taken place. Its tax revenue will increase when the exemption period ends.

Other Incentives

The other incentives discussed in the staff report are:

Waive or Reduce Development Cost Charges (DCC)
Reduced Parking Requirements for Rental Housing